

STATEWIDE COST ALLOCATION PLAN

It is the intent of the Montana Association of Counties to seek legislation to exempt “earmarked” federal funds that flow through state agencies from any Statewide Cost Allocation Plan.

WHEREAS, some federal “earmarked” funds are required to be distributed through a state agency; and

WHEREAS, Section 17-1-104 MCA defines indirect costs and Section 17-5-105 MCA requires the Department of Administration to annually calculate the rate of the allocation of indirect costs (currently 14.9%); and

WHEREAS, Section 17-1-106 MCA requires state agencies to recover this indirect cost; and

WHEREAS, counties often receive federal earmarked funds, particularly for county bridge and highway construction projects; and,

WHEREAS, many projects are funded from a combination of sources and the amount that is withheld as an indirect cost can jeopardize the entire project; and,

WHEREAS, it often falls to the county to find a means to make up this shortfall when it was the county’s efforts that secured the earmarked funds that are being reduced; and,

NOW, THEREFORE, BE IT RESOLVED, that the Montana Association of Counties seek legislation to exempt federal earmarked funds from the state cost allocation plan.

SPONSOR: Districts 10 & 11

RECOMMENDATION: Do Pass

PRIORITY: High

REFERRED TO: Transportation Committee
Economic Development Committee
MT Assoc. of Co. Road Supervisors

ADOPTED: Annual Conference, Hamilton, MT September 24, 2008